



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-9000

THE GOVERNMENT NATIONAL
MORTGAGE ASSOCIATION

February 10, 1999

99-04

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: George S. Anderson, Executive Vice President

SUBJECT: Mandatory EDI Implementation for Loan Level Reporting -
May 1, 1999

Since June 1997, Ginnie Mae has been working with its issuer community to implement a single, standardized Electronic Data Interchange (EDI) process for reporting quarterly loan level data. EDI is the application-to-application exchange of electronic transactions between one or more business partners in a standardized format. In order for both Ginnie Mae and each issuer to capture the benefits of EDI, the active participation of every issuer is essential. Therefore, effective May 1, 1999, all Ginnie Mae issuers will be required to report quarterly loan level data via EDI.

The principal goals of this new reporting requirement are to simplify the reporting process for the issuer community and to increase Ginnie Mae's responsiveness to issuer service needs and requests. Furthermore, the increased use of EDI is an essential step in moving toward industry-wide reporting standards in the mortgage banking industry.

Throughout the implementation period, Ginnie Mae is committed to working closely with issuers to help them establish their EDI reporting programs. The following services are available to help issuers become EDI capable by the May 1, 1999 deadline:

- EDI Hotline (1-888-GINNIE4, Option 1);
- A *Ginnie Mae EDI Implementation Guide* detailing the steps required to implement EDI;

- EDI Information on Ginnie Mae's web site (<http://www.ginniemae.gov>); and
- EDI Workshops at the Ginnie Mae Business Center.

In order to implement EDI, issuers must meet the following requirements:

1. All issuers must adhere to Ginnie Mae's EDI standards for reporting quarterly loan level data. Ginnie Mae is using the American National Standards Institute's ASC X12 203 (version 3060) transaction set, the Secondary Mortgage Market Investor Report, as the format in which to report quarterly loan level data. All quarterly loan level data must be reported using this standard. EDI standards information is detailed in the Ginnie Mae EDI Implementation Guide;
2. A telecommunications link must be established between the issuer and Ginnie Mae to transmit the EDI-formatted data. This may be established through a direct ISDN connection, a Value Added Network (VAN), via Ginnie Mae's Bulletin Board System, or through Ginnie Mae's web-based solution. Note that the web-based solution will be available in early 1999, and is intended to serve issuers with small loan volumes;
3. Each issuer must submit a Ginnie Mae EDI Trading Partner Profile to help Ginnie Mae determine the technical capability of individual issuers, collect institutional telecommunications and address information, and assess the viability of future EDI enhancements;
4. Issuers must successfully complete three test submissions of their EDI translated data. The testing procedures are fully described in the *Ginnie Mae EDI Implementation Guide*. If issuers send their submissions through a service bureau, that service bureau is required to fulfill the testing requirements, however, it remains the responsibility of the issuer to ensure submission using EDI standards by May 1, 1999; and
5. Each issuer must execute an Electronic Data Interchange Systems Agreement (Agreement), and it must be received and acknowledged by Ginnie Mae's EDI Coordinator.
Note: For those issuers that are GinnieNET users and have executed the Agreement with Ginnie Mae's Pool Processing Agent, please forward a copy of the executed Agreement to Ginnie Mae's EDI Coordinator.

To receive printed copies of the *Ginnie Mae EDI Implementation Guide*, the Electronic Data Interchange Systems Agreement and other information, contact the EDI Hotline (1-888-GINNIE4, Option 1).

Issuers can also download copies of the following EDI documents from the Ginnie Mae EDI Home Page at <http://www.ginniemae.gov>:

- *EDI Implementation Guide* (Including the Trading Partner Profile);
- Electronic Data Interchange Systems Agreement (Select APM 97-24);
- EDI Workshop Information; and
- Ginnie Mae EDI News.

Questions regarding this memorandum should be addressed to the Ginnie Mae EDI Coordinator through the Ginnie Mae Hotline (1-888-GINNIE4, Option 1).